

Bakery Products, Noodle & Pasta

July 14, 2011

PASTA / BAKERY PRODUCTS / PREPARED MIX

Pasta

Import Volume of Pasta in 2010

FY	Import volume (ton)					Yen/kg	Import share (%)	
	With eggs	Spaghettis	Macaroni	Total	YY (%)			
2003	1,265	97,480	9,009	107,754	106.2	112.4	42.1	
2004	908	99,928	10,682	111,518	103.5	113.5	42.6	
2005	1,335	98,268	10,001	109,604	98.3	114.6	41.6	
2006	634	99,338	9,816	109,788	100.2	119.2	40.7	
2007	453	94,851	9,106	104,410	96.1	133.5	39.1	
2008	571	117,155	9,529	127,255	121.9	175.7	44.6	
2009	401	105,962	10,051	116,414	91.5	137.4	43.9	
2010	Feb	16	7,493	851	8,360	109.0	122.9	43.5
	Mar	31	7,412	1,014	8,457	90.2	118.1	38.1
	Apr	32	9,346	830	10,207	113.2	121.8	42.7
	May	20	10,560	780	11,360	117.6	113.8	47.1
	Jun	25	11,399	692	12,116	119.3	109.9	47.7
	Jul	39	11,922	686	12,647	113.9	109.9	49.6
	Aug	57	10,408	760	11,225	99.1	109.2	48.0
	Sep	31	9,817	1,047	10,895	102.0	100.7	46.1
	Oct	3	6,976	755	7,734	74.5	107.3	36.3
	Nov	26	8,567	634	9,227	94.3	109.1	43.1
	Dec	42	7,842	717	8,601	95.6	106.5	37.0
	Total of Jan- Dec	333	110,503	9,816	120,652	103.6	113.3	43.9
	Total of year-earlier period	401	105,962	10,051	116,414	-	137.4	43.9
2011	Jan	23	9,344	963	10,330	105.2	105.2	44.1
	Same month of last year	11	8,762	1,050	9,823	-	132.6	45.2

Sources: C compiled from Ministry of Finance "Import Customs Statistics".

The domestic production volume of pasta in 2010 was 155,219 tons (3.6% increases over the previous year) and import volume was 120,652 tons (up 3.6% from the previous year). The share of imported pasta is 43.9%.

On a category basis, long pastas are growing while short pastas have remained steady. So far low-priced products have been raising its sales. Each company has a different approach, but "how to increase the consumption of short pasta" and "how to tell the qualities of high priced items" is what we hear the most. For household products, high quality brands, organic foods, smaller sizes, and strengthening gluten are some of the characteristics that help the sales expand grow. Not only do the companies deal in high quality pasta, but they also provide pasta sauce,



olive oil, and balsamic vinegar along with shelves and recipes. The consumption of short pasta is leveling off, but there are different ways of cooking it compared to long pastas, so there is a possibility of growth in the future. Lower priced products from Tunisia, Turkey, and Morocco are not very familiar to the consumers yet, so they also have a possibility of growing. On the other hand, brands with a long history and brand power such as "De Cecco" and "Barilla" are sustaining their position as their predominance is starting to show. It is important for them to have an appeal in each eating scene.

Bakery products

Import Value of Bakery Products by Country in 2010

	Amount (1,000 yen)	Share	Growth rate	Quantity (kg)	Share	Growth rate
China	8,917,605	30.3	15.03	35,959,152	39.6	19.6
U.S.A.	7,407,931	25.1	5.35	19,075,798	21	5.58
Thailand	2,761,411	9.4	0.47	9,217,572	10.1	4.85
France	1,441,566	4.9	28.11	2,190,120	2.4	25.27
Malaysia	1,173,852	4	11.03	3,793,853	4.2	15.35
Vietnam	1,124,639	3.8	-11.6	4,985,367	5.5	3.61
Korea	938,056	3.2	7.62	1,863,814	2.1	9.23
Italy	910,306	3.1	21.48	1,692,820	1.9	32.77
Denmark	549,948	1.9	-15.15	1,794,281	2	-2.74
Belgium	492,798	1.7	-14.22	1,062,592	1.2	-4.74
Other	3,759,758	12.6	9.2	9,228,889	10.0	7.6
Total	29,477,870	100	8.08	90,864,258	100	11.76

Sources: Compiled from Ministry of Finance "Import Customs Statistics".

On a value basis, Japan imports more than 50% of bakery products from China (30.3%) and the US (25.1%), followed by Thailand (9.4%), France (4.9%), Vietnam (3.8%), Korea (3.2%) etc. Bakery products from France, Italy, Denmark, and Belgium make up 7.5% of the total volume, and 11.6% on a value basis. The share is small but consumers who are picky with bread support them. Most of the bread made in Europe do not have a strong flavor and set off the other dishes, so there are many Japanese who eat imported bread. There are 2 types of imported European bread. One is "baked bread", where the bread is already baked when it is transported by air. The other is "biscuit firing frozen bread" where the bread is half baked and immediately frozen before it gets shipping.

Prepared Mix

Japan Prepared-Mix Association (JPA) divides prepared mixes into "home use" and "business use." Also, depending on whether the mix uses sugar, there are sweetened prepared mixes (pancake mix, cake mix and doughnut mix) and unsweetened mix (tempura, fried chicken). Pancake mix, tempura mix, fried chicken mix, okonomiyaki mix, and cake mix are the representation of home use mixes.



According to JPA, the production quantity of prepared mixes made in Japan from January to October in 2010 was 311,378.7 tons in total, increasing 3.3% from the previous year. With home use sweetened mixes, the pancake mix market made a remarkable growth, and the competition is getting intensive with new products made by Japanese companies. Even though there is a growing number of people who eat at home, business use sweetened mixes are also growing as a volume zone. Prepared mixes using rice powder is getting attention in the Kyushu area. Rice powder is expensive, but it has a flavor and texture that flour does not have, so rice powder prepared mixes may become a great hit. Also, there are demand for "small quantity packages" that are easy to handle with, and this could be a hint for future market penetration.